



# Department of Justice

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## **JAPANESE AND GERMAN COMPANIES TO PLEAD GUILTY AND PAY FINES FOR ROLE IN INTERNATIONAL PRICE-FIXING CONSPIRACY**

### **Companies Agree to Pay Criminal Fines Totaling \$1.44 Million**

WASHINGTON, D.C.--Nippon Electrode Company Ltd. (NDK), a Japanese company, and VAW Carbon GmbH (VAW), a German company, have agreed to plead guilty and pay fines totaling \$1.44 million for their roles in an international conspiracy to fix the price of carbon cathode block, the Department of Justice announced.

NDK of Shizuoka (a suburb of Tokyo), Japan, and VAW of Grevenbroich, Germany, were charged separately today in U.S. District Court in Philadelphia with conspiring with unnamed co-conspirators to suppress and eliminate competition in the carbon cathode block industry beginning as early as February 1996 and continuing until at least December 1997. NDK has agreed to pay a \$450,000 fine and VAW has agreed to pay a \$990,000 fine.

Because of its superior conductive properties, strength and resistance to heat and chemical reaction, carbon cathode block is commonly used in aluminum smelters or pots in the production of primary aluminum sold in the United States and elsewhere.

“This is another example of the Antitrust Division’s resolve to take action against violators of the U.S. antitrust laws that harm American businesses and consumers,” said James M. Griffin, Deputy Assistant Attorney General for the Antitrust Division’s Criminal Enforcement program.

NDK and VAW were charged with carrying out the price-fixing conspiracy by:

- participating in meetings and conversations in Asia and Europe to discuss the prices of carbon cathode block sold in the U.S. and elsewhere;
- agreeing, during those meetings and conversations, to charge prices at certain levels and otherwise to increase and maintain prices of carbon cathode block sold in the U.S. and elsewhere; and
- exchanging sales and customer information for the purpose of monitoring and enforcing adherence to the terms of the agreements reached.

In March 2001, an Ohio company, Anchor Industrial Products Inc., formerly Hepworth Refractories Inc., was the first company to plead guilty to participating in this conspiracy. In April 2001, Anchor was sentenced to pay a criminal fine of \$600,000.

NDK and VAW are charged with violating Section One of the Sherman Act, which carries a maximum fine of \$10 million for corporations. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's charges are the result of an ongoing investigation being conducted by the Antitrust Division's Philadelphia Field Office and the Federal Bureau of Investigation in Philadelphia.

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